

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 MC-02

EB-07 OMB-01 COME-00 TRSE-00 IGA-01 /068 R

DRAFTED BY EUR/EE:HGILMORE/PM/SAS:RWSMITH

APPROVED BY EUR:JAARMITAGE

C:WSHINN

EUR/EE:NGANDREWS

L/PM:MR. BOREK (SUBS)

OSD/ISA:CDR.STEELE

S/S - FVORTIZ

----- 023354

P 152207Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE PRIORITY

C O N F I D E N T I A L STATE 086136

FOR AMBASSADOR FROM HARTMAN

E.O. 11652: GDS

TAGS: MASS,PFOR,YO

SUBJECT: SALE OF 8-INCH AMMUNITION TO YUGOSLAVIA:  
US CREDIBILITY IN DEALING WITH THE YUGOSLAVS

REF: BELGRADE 1772; 1711,1563

1. AMBASSADOR MAY ASSURE DEPUTY FEDERAL SECRETARY FOR NATIONAL DEFENSE, COL.GEN. SUMONJA, THAT SHARP RISE IN PRICE FOR 8-INCH AMMUNITION OVER PAST 29 MONTHS IS TOTALLY UNRELATED TO POLITICAL CONSIDERATIONS. PRICE RISE INSTEAD REFLECTS LEGAL REQUIREMENT BASED ON PREVAILING ECONOMIC FACTORS. DEPT AND DOD FULLY SUPPORT POLICY OF IMPROVING RELATIONS IN THE MILITARY SPHERE. DRAWING ON THIS MESSAGE  
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AND SEPTTEL RESPONDING TO SPECIFIC QUESTIONS RAISED BY

SUMONJA (BELGRADE 1711), AMBASSADOR SHOULD TAKE EARLIEST OPPORTUNITY TO EXPLAIN REASONS FOR PRICE INCREASE TO SUMONJA.

2. DEPT AND DOD CANNOT RPT NOT RESTORE 1972 PRICE FOR AMMUNITION. UNDER APPLICABLE LAW (SECTION 21 OF FOREIGN MILITARY SALES ACT), US ARMY MUST PAY PRICE QUOTED IN FEB. 20, 1975 AMENDMENT TO ORIGINAL LOA (LETTER OF OFFER AND

ACCEPTANCE) FOR REPLENISHMENT AT CURRENT PRICES OF 8-INCH AMMUNITION STOCKS TO BE SOLD TO YUGOSLAVIA. KEY POINT HERE IS THAT AMMUNITION NOW AVAILABLE IS CURRENT STOCK NOT RPT NOT 1972 STOCK, WHICH HAS BEEN USED AND REPLENISHED. REVERSION TO 1972 PRICES WOULD MEAN LOSS TO USG, FOR WHICH THERE IS NO STATUTORY AUTHORITY.

3. US LAWS AND REGULATIONS GOVERNING FOREIGN MILITARY SALES TRANSACTIONS ARE APPLIED WITHOUT DISCRIMINATION TO ALL FOREIGN PURCHASERS OF US DEFENSE ARTICLES AND SERVICES. IN CASE AT HAND, GOY REQUESTED ON MAY 31, 1973 SUSPENSION OF SHIPMENT IN ORDER TO TEST THE AMMUNITION, INDICATING ONLY THAT FINAL DECISION ON PURCHASE, INCLUDING QUANTITY, WOULD BE MADE AFTER TESTING. A CONSIDERABLE AMOUNT OF TIME WAS THEN EXPENDED IN TESTING AND/OR REACHING DECISION. (SOME DELAY IN COMPLETION OF TESTING MAY BE ATTRIBUTABLE TO DELAYS RESULTING FROM FRG/AUSTRIAN CUSTOMS REQUIREMENTS.)

4. DETAILED RESPONSE TO QUESTIONS RAISED IN BELGRADE 1711 FOLLOWS SEPTTEL. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ARMS, DIPLOMATIC DISCUSSIONS, MILITARY SALES, MILITARY AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 APR 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Subject:** SALE OF 8-INCH AMMUNITION TO YUGOSLAVIA: US CREDIBILITY IN DEALING WITH THE YUGOSLAVS  
**TAGS:** MASS, PFOR, YO  
**To:** BELGRADE  
**Type:** TE  
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